

**Activity Group Capital Investment Summary**  
**Defense Security Service**  
(\$ in Millions)

Line No.	Description	FY 99		FY 00		FY 01	
		Quan	Tot Cost	Quan	Tot Cost	Quan	Tot Cost
0001	<b>EQUIPMENT-Replacement</b> Equipment Other than ADPE - Misc.	25	0.297				
	EQUIPMENT OTHER THAN ADPE TOTAL	25	0.297				
0002	<b>AUTOMATED DATA PROCESSING</b> Desktop/Notebook Computers	1047	2.690	340	1.018	530	1.590
0002	Hardware Enhancements			1	0.800	1	1.000
0002	Items Less Than \$1 Million			2	0.382	2	0.342
	ADP TOTAL	1047	2.690	343	2.200	533	2.932
0003	<b>SOFTWARE</b> Application Enhancements			1	4.100	1	20.268
0003	Fingerprint Automation			1	1.000		
0003	Items Less Than \$1 Million			1	0.500	2	1.400
	SOFTWARE TOTAL			3	5.600	3	21.668
0004	<b>PASSENGER VEHICLES</b> Passenger Vehicles			295	4.100	330	4.586
	PASSENGER VEHICLE TOTAL			295	4.100	330	4.586
	<b>DEFENSE SECURITY SERVICE TOTAL</b>	1072	2.987	641	11.900	866	29.186

DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION EQUIPMENT OTHER THAN ADPE-Replacement (\$ in Thousands)										A. Budget Submission FY 2001 Budget Estimate		
B. Component, Activity Group, Date				C. Line No			Item Description			D. Activity ID		
Defense Security Service Feb-00				0001			Copier Replacement					
Element of Cost	FY 99			FY 00			FY 01					
	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst
Office Equipment Replacement				25	12	297						
TOTAL				25		297						
<p><b>Narrative Justification:</b></p> <p>a. CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: During FY 1999 DSS replaced approximately 50% of the Agency's copy machines, providing a good foundation for an effective copier/office equipment replacement program. The new copiers provide DSS with digital machines that are less costly to maintain, that can operate as a system printer and fax machine; thereby more efficient. Our program included the replacement of copiers that were 5 years or older allowing DSS to maintain a modern office atmosphere to keep up with the increasing demands generated by significant workload increases.</p> <p>b. ANTICIPATED BENEFITS: A modern copier program with the latest technology gives DSS personnel the equipment required to accomplish the various national security missions of the command. The digital copiers provide capability as system printers, allowing DSS personnel to avoid using more costly laser printers. The cost savings will be in ink cartridges, maintenance and other supplies.</p> <p>c. IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: Workload for DSS in the form of personnel security investigations and facility security clearances is projected to increase in the out years. A copier replacement program is an administrative necessity and an essential component of everyday mission accomplishment. Copy machine technology has changed dramatically in the last 5 years and DSS must take advantage of this technology and purchase machines that are multi-functional and less costly to maintain.</p> <p>d. ECONOMIC ANALYSIS PERFORMED? The copier program is created to replace equipment that has been determined (by individual machine) to be less costly to purchase and maintain than to lease with maintenance contracts. For offices that analysis shows a lease to be more cost efficient, a lease has or will be created.</p>												
<b>ECONOMIC INDICATORS:</b>												

DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION									A. Budget Submission		
AUTOMATED DATA PROCESSING									FY 2001		
(\$ in Thousands)									Budget Estimate		
B. Component, Activity Group, Date			C. Line No			Item Description			D. Activity ID		
Defense Security Service Feb-00			0002			Desktop/Notebook Computers					
Element of Cost	FY 99			FY 00			FY 01				
	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst		
Desktop/Notebook Computers	1047	3	2,690	340	3	1,018	530	3	1,590		
TOTAL	1047		2,690	340		1,018	530		1,590		
Narrative Justification:											
<p>a. <b>CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS:</b> Microcomputers are the main conduit used by DSS personnel to access and process information. They support every facet of the DSS mission including the following types of operations: processing of personnel security investigations and industrial security information, office automation functions, statistical analysis, electronic information exchange, and software development. Technology changes rapidly. The average life expectancy of this equipment is estimated to be three years. The DSS computer replacement strategy spreads the purchase of new microcomputers over three to four fiscal years (FYs). Thus, each FY a portion of the installed base of computers is replaced.</p> <p>b. <b>ANTICIPATED BENEFITS:</b> Microcomputers must be kept fairly current to meet specified operating environment standards (e.g., security), support access to new information systems, and maintain acceptable system response times for information delivery.</p> <p>c. <b>IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT:</b> Without a periodic equipment replacement program, DSS personnel would be unable to perform their jobs in an efficient and effective manner. The computers would not have sufficient capacity, memory, and processing power to meet response time requirements and execute transactions.</p> <p>d. <b>ECONOMIC ANALYSIS PERFORMED?</b> Yes. The initial investment for this technology was considered in the functional economic analysis performed for the DSS modernization effort. The replacement of aging equipment is considered a necessary expense.</p>											
<b>ECONOMIC INDICATORS:</b>											

DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION									A. Budget Submission		
AUTOMATED DATA PROCESSING									FY 2001		
(\$ in Thousands)									Budget Estimate		
B. Component, Activity Group, Date				C. Line No		Item Description			D. Activity ID		
Defense Security Service Feb-00				0002		Hardware Enhancements					
Element of Cost	FY 99			FY 00			FY 01				
	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst		
Hardware Enhancements				1	800	800	1	1,000	1,000		
TOTAL				1		800	1		1,000		
Narrative Justification:											
<p>a. <b>CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS:</b> The DSS enterprise applications are hosted on clustered Compaq/Digital Equipment Corporation (DEC) computers and several servers of various makes and models. The infrastructure includes networking components, storage devices and other miscellaneous equipment. The applications were implemented without proper integration oversight and thus, some interfaces are not ideally suited to the overall environment. Additionally, due to changing requirements (i.e., policy changes and other external influences) some equipment needs to be upgraded to provide adequate response times for system users and increase the memory and disk storage capacity.</p> <p>b. <b>ANTICIPATED BENEFITS:</b> The hardware that supports DSS has been installed for at least two years. As a result, components must be upgraded to meet operational and technological needs. Due to the changing operational requirements some equipment is not sized to support anticipated functions. Many of these functions are a result of the U.S. Government's heightened emphasis on security.</p> <p>c. <b>IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT:</b> If the existing enterprise hardware components are not upgraded, there will be significant system outages and delays in processing information. DSS will not be positioned to meet our Defense Performance Contract goals and timelines. Finally, the agency will not be able to support the increased workload associated with the OSD mandate to reduce the periodic reinvestigation backlog.</p> <p>d. <b>ECONOMIC ANALYSIS PERFORMED?</b> No. An independent Air Force Red Team and a contractor appointed by the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASDC3I) recommended the proposed upgrades. DSS has implemented a Program Management Office to oversee, design, and implement these upgrades.</p>											
ECONOMIC INDICATORS:											

<b>DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION</b> <b>AUTOMATED DATA PROCESSING</b> <b>(\$ in Thousands)</b>	A. Budget Submission FY 2001 Budget Estimate
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B. Component, Activity Group, Date Defense Security Service Feb-00	C. Line No      Item Description 0002              Items Less Than \$1 Million	D. Activity ID
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Element of Cost	FY 99			FY 00			FY 01		
	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst
Enterprise Firewalls				1	183	183			
Intranet Systems Rebuild							1	232	232
Networking Equipment				1	199	199			
MS Windows NT Replacement							1	110	110
TOTAL				2		382	2		342

Narrative Justification:

a. **CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS:** The current equipment will not meet upcoming operational needs to include providing additional remote users/customers with secure access to DSS systems and services; and providing the basic infrastructure required for implementation of the DoD PKI initiative beyond secure electronic mail. Additional networking equipment is required to support the relocation of the DSS Academy along with other components to a new facility. Finally, the current MS Windows NT 4.0 software is one revision behind the current version. It will not be able to support our future requirements.

b. **ANTICIPATED BENEFITS:** The replacement firewalls have a life cycle of 3 to 5 years. Each machine will support multiple processing units. This will enable DSS to increase capabilities should more powerful firewalls be required. Administration of the firewalls will be simplified by replacing three computers with two. Service to DSS customers will improve with the implementation of a single sign-on. In addition, since implementation of PKI is mandatory for all DoD components, DSS will be positioned to replace the SmartPass/SmartGate client server with PKI. New internet systems will enable DSS to support projected growth and maintain system availability. The equipment for the new facility will provide connectivity to the Internet and the DSS internal network. An upgraded version of the MS Windows NT operating system will provide increased functionality and enable DSS to continue support for its microcomputer applications.

c. **IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT:** Network Associates, the owners of the existing firewall will no longer support the UNIX platform. This means the computers that serve as the "front door" to our network and enterprise platform will no longer be supported. In addition, should we experience any operational problems we will no longer have vendor support. DSS will have limited ability to support Internet requirements and be unable to properly backup current systems. The new facility will not have high-speed network connectivity to support the execution of mission requirements. Without an upgrade to the MS Windows NT operating system DSS will be unable to purchase or use current versions of most application software.

d. **ECONOMIC ANALYSIS PERFORMED?** No.

**ECONOMIC INDICATORS:**

DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION SOFTWARE (\$ in Thousands)								A. Budget Submission FY 2001 Budget Estimate		
B. Component, Activity Group, Date Defense Security Servi Feb-00				C. Line No Item Description 0003 Application Enhancements			D. Activity ID			
Element of Cost	FY 99			FY 00			FY 01			
	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	
Application Enhancements				1	4,100	4,100	1	20,268	20,268	
TOTAL				1	4,100	4,100	1	20,268	20,268	
Narrative Justification:										
<p>a. <b>CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS:</b> The DSS enterprise applications (Case Control Management System (CCMS), Defense Clearance and Investigations Index (DCII), etc...) support the processing of personnel security investigations and industrial security information. The initial fielding of the applications provided limited support for processing investigations. Due to the high volume of work and numerous system problems, enhancements have been identified to improve the functionality, usability, and performance of the applications. The DSS Program Management Office strategy is to implement a series of application enhancements each year to improve support and performance.</p> <p>b. <b>ANTICIPATED BENEFITS:</b> These applications support a small but critical role in protecting our national security. The enhancement of these applications would improve operations and eliminate "work around" procedures put in place to address current software deficiencies. This in turn will result in better system performance and data integrity. By enhancing our applications, DSS will move toward a stable platform that can process investigations more efficiently. This represents millions of dollars in potential savings to the government because critical employees will not be delayed from working due to the length of time to process investigations.</p> <p>c. <b>IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT:</b> At present, the DSS enterprise applications are not stable due to unbalanced workflow and performance problems. Without modification, the system will continue to be plagued by downtime and performance bottlenecks; thereby, preventing DSS from meeting its performance goals.</p> <p>d. <b>ECONOMIC ANALYSIS PERFORMED?</b> The proposed modifications were examined by an independent Air Force "Red Team" and an independent contractor hired by the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASDC3I).</p>										
<b>ECONOMIC INDICATORS:</b>										

DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION SOFTWARE (\$ in Thousands)							A. Budget Submission FY 2001 Budget Estimate				
B. Component, Activity Group, Date			C. Line No			Item Description			D. Activity Identification		
Defense Security Servi Feb-00			0003			Fingerprint Automation					
Element of Cost			FY 99			FY 00			FY 01		
			Quan	U/C	Tot Cst	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst
Fingerprint Automation						1	1,000	1,000			
TOTAL						1		1,000			
<p>Narrative Justification:</p> <p>a. <b>CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS:</b> DSS is required by presidential mandate to perform criminal record checks as part of initial personnel security investigations. At present, DSS submits approximately 1,750 fingerprint cards to the Federal Bureau of Investigation (FBI) per day for subject criminal record checks and/or retention in the FBI Civil Fingerprint File. Beginning July 2001, the FBI has stated they will no longer accept hardcopy fingerprint cards. The Air Force Program Management Office is taking the lead in working to implement a system to capture and forward electronic fingerprint images.</p> <p>b. <b>ANTICIPATED BENEFITS:</b> The proposed investment will enable DSS to electronically submit fingerprint images to the FBI for processing. This in turn will reduce the cost for processing fingerprint check requests and enable DSS to reduce the overall time for processing fingerprint images by 3.5 days.</p> <p>c. <b>IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT:</b> DSS will be unable to directly request fingerprint checks from the FBI after they refuse to accept hardcopy cards. The agency will continue to rely on time consuming manual reviews of rap sheets to determine if the sheets pertain to the Subjects of investigations.</p> <p>d. <b>ECONOMIC ANALYSIS PERFORMED?</b> No.</p>											
<b>ECONOMIC INDICATORS:</b>											

DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION SOFTWARE (\$ in Thousands)							A. Budget Submission FY 2001 Budget Estimate			
B. Component, Activity Group, Date		C. Line No		Item Description			D. Activity Identification			
Defense Security Servi Feb-00		0003		Items Less Than \$1 Million						
Element of Cost		FY 99			FY 00			FY 01		
		Quan	U/C	Tot Cst	Quan	U/C	Tot Cst	Quan	U/C	Tot Cst
Application Interfaces								1	900	900
System Remediation/Enhancement								1	500	500
Oracle Software Licenses					1	500	500			
TOTAL					1	500	500	2		1,400
Narrative Justification:										
<p>a. <b>CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS:</b> The DSS enterprise applications were rushed through development and into production without adequate system engineering practices to include testing. Software remediation actions are necessary to fix application and performance problems. In addition, these applications need to interface with a variety of systems. Several interface requirements have been identified, such as the Federal Bureau of Investigation's electronic processing of fingerprint cards and the exchange of information with the Joint Personnel Adjudication System (JPAS). Additional Oracle software licenses are required to support user community demands for access to DSS information.</p> <p>b. <b>ANTICIPATED BENEFITS:</b> Overall performance of the applications will stabilize and improve. Interfaces will support the electronic exchange of information between a variety of systems, eliminating problems associated with manual intervention and providing timely service to all organizations that use the data. Additional licenses will enable DSS to provide increased access to corporate information.</p> <p>c. <b>IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT:</b> The enterprise system will be unable to support the current workload demands resulting in down time and customer frustration. DSS will be unable to electronically provide input to, or receive input from key external systems. Without real time electronic information exchange, key systems could contain conflicting/missing information. This will increase time in processing clearance requests and could possibly result in a DoD clearance candidate being denied or issued a clearance in error. Access to DSS information will be limited due to insufficient software licenses.</p> <p>d. <b>ECONOMIC ANALYSIS PERFORMED?</b> No. To achieve OSD's overall goals for processing security investigations and industrial clearances, these modifications must be implemented. Otherwise, national security issues are at risk. An independent contractor hired by the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASDC4I) and an Air Force Red Team reviewed the proposed interfaces and deemed that DSS should pursue their implementation. The Oracle software licenses were proposed and purchased by the Air Force Program Management Office.</p>										
<b>ECONOMIC INDICATORS:</b>										



DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION										A. Budget Submission FY 2001 Budget Estimate		
(\$ in millions)												
B. Component, Activity Group, Date Defense Security Service 1-Feb-00				C. Line No 0004		Item Description Passenger Vehicles				D. Activity ID		
Element of Cost	FY 99			FY 00			FY 01					
	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost
Passenger Vehicles							295	13.898	4,100	330	13.898	4,586
TOTAL							295		4,100	330		4,586
<p>a. CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: DSS has more than 1627 Special Agents and Representatives who operate government vehicles on a daily basis in direct support of the core mission of DSS. They conduct personnel and industrial investigations for the Department of Defense, other Federal Government agencies and support the Departments Industrial Security program. The implementation of major automation initiatives enables agents and representatives to accomplish workload on a mobile basis utilizing laptops and U.S. Government vehicles. This operational approach has offset several years of personnel reductions. DSS has more than 714 vehicles exceeding the DoD recommended age/-mileage rate. This purchase provides for replacement of 41% of these vehicles. DSS selectively maintains vehicles up to 8 years and 60,000 miles thereby achieving a cost savings on the replacement of the fleet.</p> <p>b. ANTICIPATED BENEFITS: With the 330 vehicles requested, DSS will be able to sustain the fleet at the lowest cost. Workload is projected to increase between FY 2000 and FY 2001. Although this proposal requests more vehicles, the request is consistent with increases in "direct" staffing. The vehicles are a critical component to operational success and enables DSS to fully utilize agent and representative staffing. The cost savings associated with purchasing versus leasing a fleet is passed on to DSS customers.</p> <p>c. IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: The short-term impact would be the rapid deterioration of our fleet to the level where assets become uneconomical for repairs. The loss of vehicular replacement assets would increase repair costs, which is passed on in the form of increased rates, and could jeopardize our ability to produce products at a competitive cost. Long term impact would be a fleet decimated by lack of adequate replacement, reducing the effectiveness resulting in a loss of productivity. Failure to keep our commitments to customers could result in loss of market share. Ultimately, the loss of, or reduction in this capital asset would be passed off to taxpayers through higher investigative costs, whether through another Government agency or private contractor.</p> <p>d. ECONOMIC ANALYSIS PERFORMED? The decision to finance DSS vehicles through the Defense-wide Working Capital Fund occurred in December 1998. An analysis will be performed as soon as possible.</p>												

**PROJECTS ON THE FY 2000 PRESIDENT'S BUDGET**

<u>FY</u>	<u>Approved Project Title</u>	<u>PB Cost</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>	<u>Explanation</u>
<b><u>AUTOMATED DATA PROCESSING</u></b>							
FY 99	Microcomputers	1,170.000	1,520.000	2,690.000	2,690.000	(1,520.000)	Add'l computers required for new staff and to improve system performance
FY 99	Fingerprint Automation	438.000	(438.000)			438.000	Applied to FY 99 Microcomputer Buy
FY 00	Microcomputers	2,999.000	(2,099.000)	900.000	900.000	2,099.000	Realigned to enterprise hardware/software enhancements
FY 00	ORACLE Software	550.000	(550.000)			550.000	Realigned to application enhancements
FY 01	Microcomputers	2,998.000	(1,408.000)	1,590.000	1,590.000	1,408.000	Realigned to enterprise hardware enhancements/application interfaces
FY 01	ORACLE Software	250.000	(250.000)			250.000	Realigned to application interfaces
FY 01	Uninterrupted Power Supply (UPS)	120.000	(120.000)			120.000	Realigned to Windows NT replacement/application interfaces
<b><u>SOFTWARE</u></b>							
FY 00	Enterprise Application Enhancements	2,451.000	949.000	3,400.000	3,400.000	(949.000)	Realigned to enable required system enhancements
FY 01	Enterprise Application Enhancements	2,632.000	(232.000)	2,400.000	2,400.000	232.000	Realigned to application interfaces
	<b>Total</b>		(2,628.000)	10,980.000	10,980.000	2,628.000	